

UNITED STATES
DEPARTMENT OF THE INTERIOR
MINERALS MANAGEMENT SERVICE

(Insert Appropriate Regional Office)

PERMIT FOR GEOLOGICAL EXPLORATION
FOR MINERAL RESOURCES
OR SCIENTIFIC RESEARCH
ON THE OUTER CONTINENTAL SHELF

In consideration of the terms and conditions contained herein and the authorization granted hereby, this permit is entered into by and between the United States of America (the Government), acting through the Minerals Management Service of the Department of the Interior, and

(Name of Permittee)

(Number and Street)

(City, State and Zip Code)

Permit Number: _____ Date: _____

This permit is made pursuant to the authority of Section 11, Outer Continental Shelf Lands Act of August 7, 1953, as amended on September 18, 1978. by Public Law 95-372, 92 Statute 629, 43 U.S.C. 1340, hereinafter called the "Act;" and Title 30 Code of Federal Regulations Part 251.

Submit: Original, two copies, and one public information copy.

Section I. Authorization

The Government hereby authorizes the permittee to conduct:

_____ Geological exploration for mineral resources by means other than a deep stratigraphic test, as defined in 30 CFR 251.2(n) and (gg). This activity utilizes geological and geochemical techniques, including, but not limited to, gas sniffing, various bottom sampling methods, and shallow test drilling as defined in 30 CFR 251.2(mm).

_____ Geological scientific research by means other than a deep stratigraphic test, as defined in 30 CFR 251.2(p) and (gg). This activity involves drilling and gathering of geological data and information for scientific research purposes, including, but not limited to, shallow test drilling as defined in 30 CFR 251.2(mm).

_____ Geological exploration for mineral resources or scientific research by means of a deep stratigraphic test as defined in 30 CFR 251.2(j).

This permit authorizes the permittee to conduct the above geological activity during the period from _____ to _____ in the following area(s): _____

_____ This permit is granted for the period specified above. Subsequent extensions of a permit for activities other than a deep stratigraphic test shall be requested in writing and will be limited to a period of not more than 1 year from the specified termination date of the permit. The duration of a permit for a deep stratigraphic test shall be controlled in accordance with 30 CFR 251.6-5. Group participation in test drilling activities, bonds, inspection and observation of geological exploration activities, suspension and cancellation of authority to conduct exploration or scientific research activities under permit, penalties, and appeals shall be performed in accordance with 30 CFR 251.6-3, 251.6-4, 251.7-1, 251.8, 251.9, and 251.10.

Section II. Type(s) of Operations and Technique(s)

A. The permittee shall employ the following type(s) of operations:

_____ and shall utilize the following instruments and/or technique(s) in such operations:

- B. The permittee shall conduct all activities in compliance with the terms and conditions of this permit, including the "Stipulations," "Special Provisions," and the approved "Application for Permit" which are attached to this permit and are incorporated into this permit.
- C. The permittee shall conduct all geological exploration or scientific research activities in compliance with the Act, the regulations in 30 CFR Part 251, and other applicable statutes, requisitions and orders, whether such statutes, regulations and orders are enacted, promulgated, issued, or amended before or after this permit is issued. Some of the provisions of 30 CFR Part 251 are restated in this permit for emphasis. However, all of the provisions of 30 CFR Part 251 are part of this permit although they are not attached.

Section III. Reports on Operations

- A. The permittee shall submit status reports on a _____ basis in a manner approved or prescribed by the Regional Supervisor, Resource Evaluation (hereinafter, except in section V only wherein Supervisor refers to the Regional Supervisor for Operations referred to as Supervisor). The report shall include a daily log of operations. The reporting interval shall not be greater than monthly.
- B. The permittee shall submit to the Supervisor a final report within 30 days after the completion of operations. The final report shall contain the following:
 - 1. A description of the work performed including number of samples acquired;
 - 2. Chart(s), map(s), or plat(s) (preferably on a scale of 1:250,000) depicting the areas and blocks in which any exploration or scientific research activities were conducted. These graphics must clearly indicate the location of the activities so that the data produced from the activities can be accurately located and identified;
 - 3. The dates on which the actual geological exploration or scientific research activities were performed;
 - 4. A narrative summary of any: (a) hydrocarbon occurrences or environmental hazards observed and (b) adverse effects of the geological exploration or scientific research activities on the environment, aquatic life, cultural resources, or other uses of the area in which the activities were conducted;

5. The estimated date on which the analyzed or processed data or information will be available for inspection by the MMS;
 6. One ½-inch nine track, final edited navigation tape of all data or sample locations in latitude/longitude degrees. The tape is to be formatted in ASCII or EBCDIC 1600 BPI with fixed record length and fixed block size. A printed tape listing and a format statement are to be included with the tape; and
 7. Such other descriptions of the activities conducted as may be specified by the Supervisor.
- C. The last monthly report and the final report can be combined into one report if this combined report is submitted to MMS within 20 days after the original due date of the last monthly report.

Section IV. Permit or Notice Requirements for Shallow Test Drilling

Prior to the commencement of shallow test drilling for exploration for mineral resources or for scientific research, the Supervisor may require for permits or recommend for notices, the gathering and submission of geophysical data and information sufficient to determine shallow structural detail across and in the vicinity of the proposed test. Data and information may include, but are not limited to, seismic, bathymetric, side-scan sonar, and magnetometer systems, across and in the vicinity of the proposed test. When required, 30 CFR 251.6-2(c)(1) and (e), 251.6-3, and 251.6-4 will apply to permits issued and notices filed for shallow test drilling. All Outer Continental Shelf (OCS) regulations relating to drilling operations in 30 CFR Part 250 apply, as appropriate, to drilling activities authorized under this section.

Section V. Permit Requirements for a Deep Stratigraphic Test

- A. No deep stratigraphic test drilling activities shall be initiated or conducted until a Drilling Plan has been submitted by the applicant and approved by the Regional Supervisor, Operations (referred to as Supervisor in this section only). The Drilling Plan shall include:
1. The proposed type and sequence of drilling activities to be undertaken together with a timetable for their performance from commencement to completion;
 2. A description of the drilling rig proposed for use, unless a description has been previously submitted to the Supervisor, indicating the important features thereof, with special attention to safety features and pollution prevention and control features, including oil spill containment and cleanup plans and onshore disposal procedures;

3. The location of the deep stratigraphic test to be conducted, including the surface and projected bottomhole location of the borehole;
 4. The types of geophysical instrumentation to be used for site surveys;
 5. Geophysical data and information sufficient to evaluate seafloor characteristics, shallow geologic and man-made hazards, and structural detail across and in the vicinity of the proposed test to the total depth of the proposed test well. Data and information from side-scan sonar and magnetometer surveys shall be submitted as required, at the option of the Supervisor; and
 6. Such other relevant data and information as the Supervisor may require.
- B. At the same time the applicant submits a Drilling Plan to the Supervisor, an Environmental Report shall be submitted. The report shall be in summary form and should include information available at the time the related Drilling Plan is submitted. Data and information which are site-specific, or which are developed subsequent to the most recent Environmental Impact Statement or other environmental analyses in the immediate area, shall be specifically considered. The applicant shall summarize and provide references for data, information, and issues specific to the site of drilling activity in the related plan, and in other environmental reports, analyses, and impact statements prepared for the geographic area. Any material based on proprietary data which is not itself available for inspection shall not be referenced. The Environmental Report shall include the following:
1. (a) A list and description of new or unusual technologies that are to be used, (b) the location of travel routes for supplies and personnel, (c) the kinds and approximate quantities of energy to be used, (d) the environmental monitoring systems that are to be used, and (e) suitable maps and diagrams showing details of the proposed project layout;
 2. A narrative description of the existing environment. This section shall include the following information on the area: (a) geology, (b) physical oceanography, (c) other uses of the area, (d) flora and fauna, (e) existing environmental monitoring systems, and (f) other unusual or unique characteristics which may affect or be affected by the drilling activities;
 3. A narrative description of the probable impacts of the proposed action on the environment and the measures proposed for mitigating these impacts;

4. A narrative description of any unavoidable or irreversible adverse effects on the environment that could be expected to occur as a result of the proposed action; and
 5. Such other relevant data and information as the Supervisor may require.
- C. Any revisions to an approved Drilling Plan must be approved by the Supervisor.
 - D. All OCS regulations relating to drilling operations in 30 CFR Part 250 apply, as appropriate, to drilling activities authorized under this Part
 - E. At the completion of the test activities, the borehole of all deep stratigraphic tests shall be permanently plugged and abandoned by the permittee prior to moving the rig off location in accordance with the requirements of the regulations in 30 CFR Part 250.
 - F. The permittee shall comply with the Coastal Zone Management Act and preservation of cultural resources requirements as specified in 30 CFR 251.6-2(c) and (e).

Section VI. Inspection, Selection, and Submission of Geological Data and Information

- A. The permittee conducting geological exploration or scientific research shall notify the Supervisor in writing within 30 days of the acquisition, analysis, processing, and interpretation of any geological data and information collected under the permit. All geological data, analyzed geological information, processed geological information, and interpreted geological information collected by the permittee shall be made available for inspection by the Supervisor. Written notice of the completion of acquisition, analysis, processing, and interpretation shall be reported independently. Within 30 days following the receipt of the Supervisor's request for a notice of any subsequent analysis, processing, and interpretation of the geological data or information collected under the permit, the permittee shall submit notice of the availability in writing. If the data or information are reprocessed, it is the responsibility of the permittee to keep the most current resulting products available in the event a request is received from the Supervisor concerning the current status of data utilization, in which case a new period, as specified herein, begins for inspection and selection of the data and information. At any time within 10 years after receiving notice of the acquisition, analysis, processing, or interpretation of the geological data and information collected under the permit, the Supervisor may select for retention all or part of the geological data, analyzed geological information, processed geological information, and interpreted geological information.

- B. In the event that geological data, analyzed geological information, processed geological information, or interpreted geological information are transferred from the permittee to a third party, or from a third party to another third party, the transferor shall notify the Supervisor in writing of transfer and shall require the receiving third party, in writing, to abide by the obligations of the permittee as specified in this section as a condition precedent to the transfer of data or information.
- C. Each submission of geological data, analyzed geological information, processed geological information, and interpreted geological information, shall contain, unless otherwise specified by the Supervisor, the following:
 - 1. An accurate and complete record of all geological (including geochemical) data, analyzed geological information, processed geological information, and interpreted geological information resulting from each operation;
 - 2. Paleontological reports identifying microscopic fossils by depth, and/or washed samples of drill cuttings normally maintained by the permittee for paleontological determination and are made available upon request by the Supervisor. In addition, any other samples or cores requested by the Supervisor are made available on request;
 - 3. Copies of well logs and charts: one paper copy, one copy on a reproducible stable base, and copies of composite digital well logs on magnetic tape in a format approved by the Supervisor,
 - 4. Data and results obtained from formation fluid tests;
 - 5. Analyses of core or bottom samples or a representative cut or split of the core or bottom sample;
 - 6. Detailed descriptions of any hydrocarbons or hazardous conditions encountered during operations, including near losses of well-control, abnormal geopressure, and losses of circulation; and
 - 7. Such other geological data, analyzed geological information, processed geological information, and interpreted geological information as may be specified by the Supervisor.

Section VII. Reimbursement to Permittees

- A. After the delivery of geological data, analyzed geological information, processed geological information, and interpreted geological information requested by the Supervisor in accordance

with Section VI of this permit, and upon receipt of a request for reimbursement and a determination by the Supervisor that the requested reimbursement is proper, the permittee or third party shall be reimbursed for the reasonable costs of reproducing the submitted data and information at the permittee's or third party's lowest rate or at the lowest commercial rate established in the area, whichever is less.

- B. The permittee or third party shall not be reimbursed for the costs of acquiring, analyzing, or interpreting geological information.

Section VIII. Disclosure of Data and Information to the Public

- A. The Director, MMS, or the Supervisor shall make data and information submitted by a permittee available in accordance with the requirements and subject to the limitations of the Freedom of Information Act (5 U.S.C. 552) and the implementing regulations (43 CFR Part 2), the requirements of the Act, and the regulations contained in 30 CFR Part 250 (Oil and Gas and Sulphur Operations in the Outer Continental Shelf), 30 CFR Part 251 (Geological and Geophysical (G&G) Explorations of the Outer Continental Shelf), and 30 CFR Part 252 (Outer Continental Shelf (OCS) Oil and Gas Information Program).
- B. Except as specified in this section, Section X, or in 30 CFR Parts 250, 251, and 252, no data or information determined by the Supervisor to be exempt from public disclosure under subsection A of this section shall be provided to any affected State or be made available to the executive of any affected local government or to the public unless the permittee and all persons to whom such permittee has sold the data or information under promise of confidentiality agree to such an action.
- C. Geological data, analyzed geological information, processed geological information, and interpreted geological information submitted under a permit, and retained by the Supervisor shall be disclosed as follows:
 - 1. The Director shall immediately issue a public announcement when any significant hydrocarbon occurrences are detected or environmental hazards are encountered on unleased lands during drilling operations. In the case of significant hydrocarbon occurrences, the Director will announce such occurrences in a form and manner that will further the national interest without unduly damaging the competitive position of those conducting the drilling. Other data and information pertaining to the permit will be released according to the schedule provided in subsection D and paragraphs 2 and 3 of this subsection;

2. The Supervisor shall make available to the public all geological data, analyzed geological information, processed geological information, and interpreted geological information (except geological data, analyzed geological information, processed geological information, and interpreted geological information obtained from the drilling of a deep stratigraphic test) 10 years after the date of issuance of the permit under which the data and information were obtained; and
 3. Supervisor shall make available to the public all geological data and information obtained from drilling a deep stratigraphic test or submitted in support of an application for a permit to drill a deep stratigraphic test, or which the permittee is required to obtain in order to conduct the drilling of a deep stratigraphic test, at the earliest of the following times: (1) 25 years after completion of the test, or (2) for a lease sale held after the test well is completed, 60 calendar days after the Department of the Interior executes the first lease for a block, any part of which is within 50 geographic miles (92.6 kilometers) of the site of the completed test.
- D. All data and information submitted as a requirement of 30 CFR 251.7-2 and 251.7-3 and determined by the Supervisor to be exempt from public disclosure shall be considered as "PROPRIETARY." Such data and information shall not be made available to the public without the consent of the permittee for a period of 10 years from the date of issuance of the permit, unless the Director, MMS, determines that earlier release is necessary for the proper development of the area permitted. The executed permit shall be considered as "NONPROPRIETARY" and shall be available to the public upon request

Section IX. Disclosure to Independent Contractors

The Supervisor reserves the right to disclose any data or information acquired from a permittee to an independent contractor or agent for the purpose of reproducing, analyzing, processing, or interpreting such data or information. When practicable, the Supervisor shall notify the permittee who provided the data or information of intent to disclose the data or information to an independent contractor or agent. The Supervisor's notice of intent will afford the permittee a period of not less than 5 working days within which to comment on the intended action. When the Supervisor so notifies a permittee of the intent to disclose data or information to an independent contractor or agent, all other owners of such data or information shall be deemed to have been notified of the Supervisor's intent. Prior to any such disclosure, the contractor

or agent shall be required to execute a written commitment not to transfer or to otherwise disclose any data or information to anyone without the express consent of the Supervisor. The contractor or agent shall be liable for any unauthorized use by or disclosure of data or information to third parties.

Section X. Sharing of Information with Affected States

- A. At the time of soliciting information and nominations for the leasing of lands within 3 geographic miles of the seaward boundary of any coastal State, the Supervisor, pursuant to the provisions of 30 CFR 252.7(a)(4) and 252.7(b) and subsections 8(g) and 26(e) of the Act, shall provide the Governor of the State (or the Governor's designated representative) the following information that has been acquired by the Supervisor on such lands proposed to be offered for leasing:
 - 1. All information on the geographical, geological, and ecological characteristics of the areas and regions proposed to be offered for leasing;
 - 2. An estimate of the oil and gas reserves in the areas proposed for leasing; and
 - 3. An identification of any field, geological structure, or trap located within 3 miles of the seaward boundary of the State.
- B. After the time of receipt of the information and nominations for any area of the OCS within 3 geographic miles of the seaward boundary of any coastal State and Area Identification in accordance with the provisions of Subparts D and E of 30 CFR Part 256, the Supervisor, in consultation with the Governor of the State (or the Governor's designated representative), shall determine whether any tracts being given further consideration for leasing may contain one or more oil or gas reservoirs underlying both the OCS and lands subject to the jurisdiction of the State.
- C. At any time prior to a sale, information acquired by the Supervisor that pertains to the identification of oil or gas pools or fields underlying both the OCS and lands subject to the jurisdiction of any coastal State on tracts selected for leasing within 3 geographic miles of the seaward boundary of any such State will be shared, upon request by the Governor and pursuant to the provisions of 30 CFR 252.7(a)(4) and 252.7(b) and subsections 8(g) and 26(e) of the Act, with the Governor of such State (or the Governor's designated representative).

- D. Knowledge obtained by a State official who receives information under subsections A and B of this section shall be subject to the requirements and limitations of the Freedom of Information Act (5 U.S.C. 552) and the implementing regulations (43 CFR Part 2), the Act, the regulations contained in 30 CFR Part 250 (Oil and Gas and Sulphur Operations in the Outer Continental Shelf), the regulations in 30 CFR Part 251 (Geological and Geophysical (G&G) Explorations of the Outer Continental Shelf), and the regulations contained in 30 CFR Part 252 (Outer Continental Shelf (OCS) Oil and Gas Information Program).

Section XI. Fishermen's Contingency Fund

For deep stratigraphic test drilling activities as described under Section V of this permit, the permittee shall meet the requirements of establishing an account with the Fishermen's Contingency Fund for the drilling activities area pursuant to Title IV [Subsection 402(b)] of the Act and pay assessment as required by 50 CFR 296.3 (Chapter II National Marine Fisheries Service; Subchapter J - Continental Shelf). The amount of the assessment is specified by the Secretary of Commerce collected by the Director, MMS, and deposited in the fund to the appropriate account.

Section XII. Permit Modifications

The Department shall have the right at any time to modify or amend any provisions of this permit except that the Department shall not have such right with respect to the provisions of sections VIII, IX, and X hereof, unless required by an Act of Congress.

IN WITNESS WHEREOF the parties have executed this permit and it shall be effective as of the date of signature by the Supervisor.

PERMITTEE:

THE UNITED STATES OF AMERICA:

(Signature of Permittee)

(Signature of Regional Supervisor,
Resource Evaluation)

(Type or Print Name of Permittee)

(Type or Print Name of Supervisor)

(Title)

(Date)

(Date)